



ANNUAL REPORT 2017-2018

 **Suryavanshi**
spinning mills ltd.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Rajender Kumar Agarwal

Managing Director

Sri Surender Kumar Agarwal

Independent Director

Sri Manish Gupta

Independent Director

Smt Sushma Gupta

Independent Director

Chief Financial Officer & Company Secretary

Sri B. Somasekhara Rao

Auditors

M/s. K.S.Rao & Co.
Flat No. 602, Golden
Green Apartments,
Irrum Manzil Colony,
Hyderabad - 500082

Bankers

Andhra Bank
State Bank of India
*(erstwhile State Bank of Hyderabad before its merger
with State bank of India)*
ICICI Bank Limited

Registered Office

6th Floor, Surya Towers, 105, S.P.Road
Secunderabad – 500 003, Telangana
Website: www.suryavanshi.com
Email: info@suryavanshi.com
CIN: L14220TG1978PLC002390
Phone: 91-40-30512700
Fax: 91-40-30512725

Audit Committee

Sri Surender Kumar Agarwal
Sri Manish Gupta
Sri Rajender Kumar Agarwal

Stakeholders' Relationship Committee

Sri Surender Kumar Agarwal
Sri Rajender Kumar Agarwal

Nomination & Remuneration Committee

Sri Surender Kumar Agarwal
Sri Manish Gupta
Smt Sushma Gupta

ISIN: INE431C01023
Listed on BSE Limited
Scrip Code: 514140

Registrar and Share Transfer Agents

Karvy ComputerShare Private Limited
Karvy Selenium Tower B,
Plot No 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally,
Hyderabad – 500 032
Tel No. 040-67161606,
Fax No. 040-23420814
e-mail: einward.ris@karvy.com
Website: www.karvycomputershare.com

FACTORY

Spinning & Medical Textile Divisions
Aliabad, Medchal Taluq, Ranga Reddy Dist.
Telangana – 500 078

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of Suryavanshi Spinning Mills Limited will be held on **Saturday, 29th day of September, 2018 at 10.00 A.M. at Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad – 500009** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2018 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. To consider, and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed there under (including any statutory modification(s) or reenactment thereof, for the time being in force), and the enabling provisions in the Memorandum of Association and Articles of Association of the Company and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary be obtained from the appropriate authorities to the extent applicable and necessary, approval and consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”), to sell or transfer or otherwise dispose of whole or substantially the whole of the undertaking including any lands and buildings owned by the company constituting as an undertaking of the Company on such terms and conditions at such time(s) and in such form and manner, as the Board in its absolute discretion thinks fit in favour of any entity/Bank at market price or at such price as may be mutually decided.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof, determining the exact effective date, if needed to be changed and finalizing and executing necessary documents, its registration with appropriate authorities, including contracts, schemes, agreements, deeds of assignment / conveyance and such other documents, file applications and make representations in respect thereof and seek approval

from appropriate authorities, including Statutory or Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any questions that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein above conferred, to any Director or Committee of Directors or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

4. To consider, and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded to the Board of Directors, to enter into contract for purchase and sale of goods with M/s Rishikesh Yarns, a ‘related party’ as defined under Section 2(76) of the Companies Act, 2013 relating to purchase and sale of goods for an estimated amount upto Rs.100 crores during a financial year on such terms and conditions as may be mutually agreed upon between the Company and M/s Rishikesh Yarns.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to decide upon the nature and value of the contract for Rs.100 crores to be transacted with M/s Rishikesh Yarns.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad
Date: 14.08.2018

R.K. Agarwal
Managing Director

NOTES:

1. The register of members and share transfer books of the Company will be closed from 23rd September, 2018 to 29th September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending the meeting.
3. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
4. The shareholders desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members may note that the Notice of the 39th AGM and the Annual Report for FY 2017-18, copies of audited financial statements, directors' report etc., will also be available on the website of the company, www.suryavanshi.com for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address

M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.

7. SEBI has decided that securities of listed companies can be transferred only in dematerialised form w.e.f. December 5, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialise shares held by them in physical form.
8. **E-Voting:**
 - (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (KCPL) on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
 - (ii) The facility for voting through Ballot form shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot form.
 - (iii) A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - (iv) The Board of Directors of the Company has appointed Smt Rashida Adenwala, Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting and ballot) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
 - (v) **Voting rights shall be reckoned on the paid-up value of shares registered in the**

name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22nd September 2018.

- (vi) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 22nd September 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot form.**
- (vii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 22nd September 2018, may obtain the User ID and password by writing to Karvy at evoting@karvy.com or contact 040-67161606 or Toll Free No.1800 3454 001. However, if the person is already registered with Karvy for remote e-voting then the existing user ID and password can be used for casting vote.
- (viii) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: From 9.00 a.m. (IST) on 26th September 2018

End of remote e-voting: Up to 5.00 p.m. (IST) on 28th September 2018

 The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.
- (ix) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, after the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.suryavanshi.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited.
- (x) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29th September 2018.

(xi) **Instructions and other information relating to remote e-voting:**

A. In case of Members receiving Notice through mail:

- a. Open e-mail and open PDF File viz. "Suryavanshi Spinning Mills.pdf" with your client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
- b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
- c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
- d. Enter the login credentials. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- e. After entering the details appropriately, click on LOGIN.
- f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- g. You need to login again with the new credentials.

- h. On successful login, the system will prompt you to select the EVENT i.e., **Suryavanshi Spinning Mills Limited.**
 - i. On the voting page, enter the number of shares as on the cut-off date under FOR/ AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
 - k. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - l. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
 - m. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
 - n. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorisation letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rashida@rna-cs.com with a copy marked to evoting@karvy.com.
 - o. In case of any queries relating to e-voting, members may please refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Mr. **V Raghunath**, Deputy Manager, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact no. 040-67161606, Toll free No. 1800 345 4001, email id: raghu.veedha@karvy.com, evoting@karvy.com.
- B. In case of members receiving notice through post/courier:**
- (i) E-voting Event Number (EVEN), User ID and Password is provided in the Ballot form
 - (ii) Please follow all steps mentioned above in Sr. No. (xii)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.
9. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office).
 10. Members are requested to notify immediately any change in their addresses to the Company.
 11. The members are requested to bring their copy for the annual report with them at the time of attending Annual General Meeting.
 12. A route map showing directions to reach the venue of the 39th AGM is given at the end of the Notice.

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad
Date: 14.08.2018

R.K.Agarwal
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Company is in talks with the Banks for 'one-time settlement' which may consequently require the company to sell any of its assets including lands and buildings owned by the company to meet its financial obligations and to meet fund requirements for the operations of the company. Pursuant to explanation to clause (a) in sub-section (1) of Section 180 of the Act an "Undertaking" shall mean an undertaking in which the investment of the Company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the Company during the previous financial year.

Since the net worth of the Company as on 31st March, 2018 is negative, it is considered prudent by the management to seek approval of the members for the prospective sale of any of its assets.

Further, in terms of Section 110 of the Act as amended, any item of business required to be transacted by means of postal ballot may be transacted at a general meeting by a company which is required to provide the facility of e-voting to members.

The Board is of the opinion that the aforesaid resolution is in the best interest of the Company and its Members and hence, recommends Special Resolution for your approval.

None of the Directors or Key Managerial Personnel and their relatives are interested / concerned or deemed to be interested / concerned, financially or otherwise, in the above resolution.

Item No. 4

In terms of proviso of section 188 of the companies Act, 2013, the contract/arrangement/transaction with related party exceeding such sums as prescribed under Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 as amended requires prior approval from unrelated members by way of ordinary resolution.

The amount of transaction with the related party, M/s Rishikesh Yarns are likely to exceed the limits prescribed under Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 as amended. Thus, contract/arrangement/transaction relating to purchase and sale of goods from the afore-mentioned related party as defined

under Section 2(76) of the Companies Act, 2013 requires the approval of unrelated members of the Company by way of ordinary resolution.

The particulars of the contracts/arrangements/transactions are as under:

Sl. No.	Name of the related party	Nature of transaction	Relationship with related party
I	M/s Rishikesh Yarns	Purchase of raw material and sale of finished goods for an amount not exceeding Rs. 100 crores in a financial year	Sri Rishikesh Agarwal s/o Sri Rajender Kumar Agarwal is the proprietor in M/s Rishikesh Yarns.

The above proposals have been approved by the Audit Committee in accordance with Section 177 of the Companies Act, 2013. The Audit Committee / Board of Directors would be endeavoring to approve the transactions between the Company however as the transaction envisaged is likely to exceed the limits as prescribed in the Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 as amended and also, at times, some of the terms of related party transactions may not be viewed as at arm's length basis and the same may attract approval under Companies Act, 2013 read with Rules made there under. As a matter of abundant caution, and good corporate governance, approval of the Shareholders is therefore being sought in terms of the provisions of the Companies Act 2013. The Board recommends the resolutions for approval of the Members.

Sri Rajender Kumar Agarwal and their relatives (Smt Narbada Agarwal, Smt Yamuna Devi Agarwal and Sri Rishikesh Agarwal) are interested in the above resolution. None of the other Directors / key Managerial Personnel of the Company / their relatives is in anyway concerned or interested, financially or otherwise, in the above resolution.

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad
Date: 14.08.2018

R.K.Agarwal
Managing Director

ANNEXURE TO ITEM 2 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting
(in pursuance of Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements), 2015)

Name of the Director	Sri Rajender Kumar Agarwal
DIN	00041892
Date of Birth	28.07.1962
Nationality	Indian
Date of Appointment on the Board	12.10.1990
Qualifications	B.E (Mechanical)
Expertise in specific functional area	Experience of more than 25 years in Textiles business.
Number of shares held in the Company as on 31.03.2018	1219359
List of the directorships held in other companies	1. Telangana Spinning & Textile Mills Association 2. Sheshadri Power and Infrastructure Private Limited 3. Suryalaxmi Enterprises Private Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil

*Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Companies (whether Listed or not).

There is no inter-se relationship between Board Members.